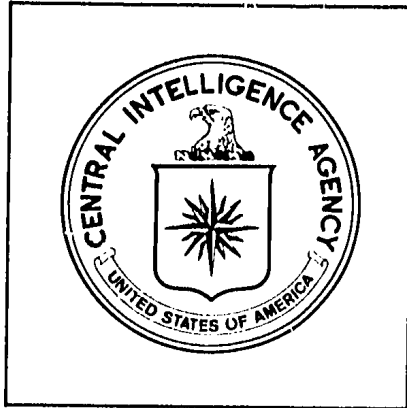


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STAFF NOTES:

Developments in Indochina

NSA review completed

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DEVELOPMENTS IN INDOCHINA

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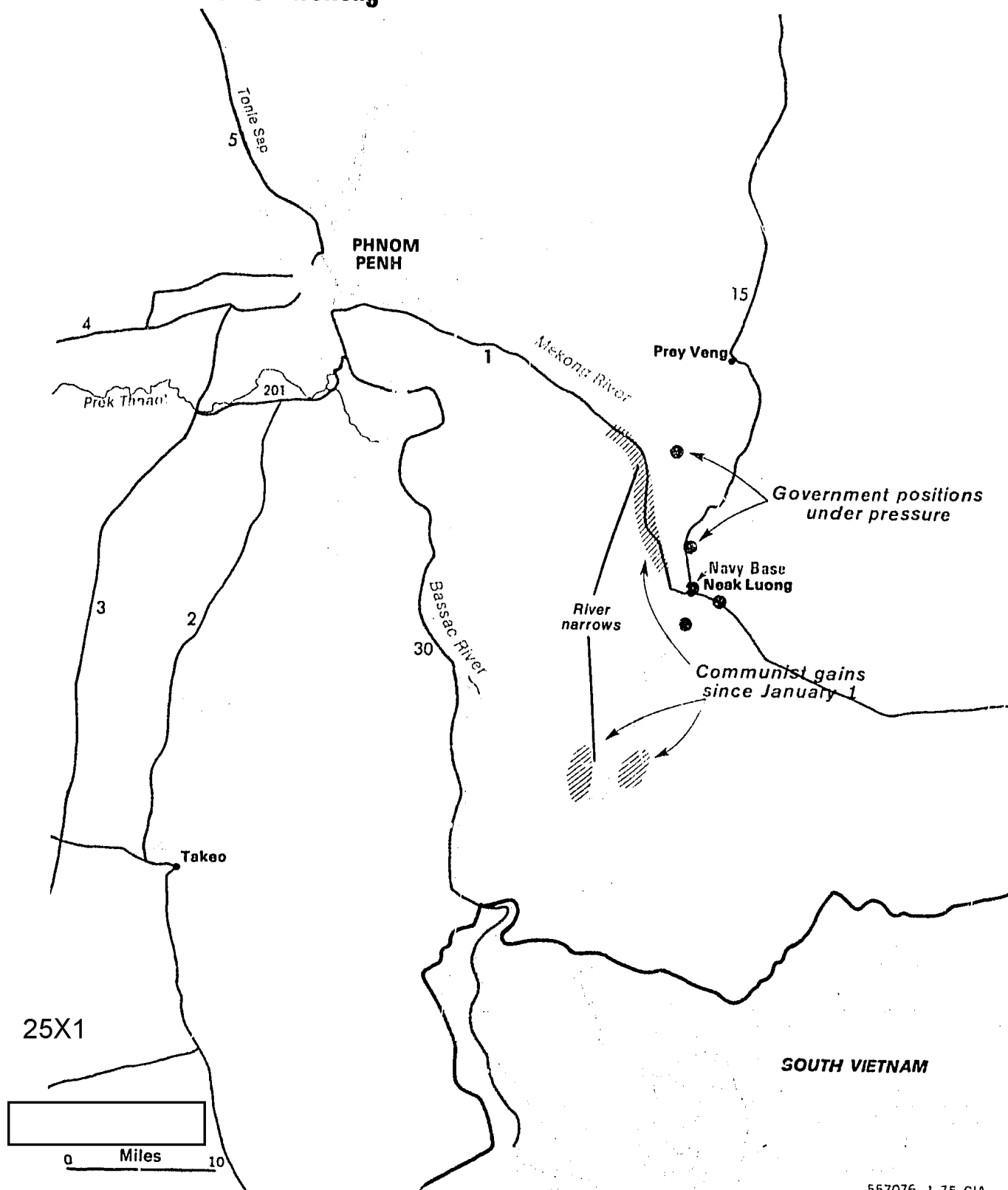
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CAMBODIA

Threat Along the Mekong

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While the fighting around Phnom Penh has captured recent headlines, some of the most serious government territorial losses during the first week of the Khmer Communists' dry-season offensive have occurred along the Mekong River well south-east of the capital. Insurgent forces are now in control of both banks of the Mekong River at the narrows 40 miles downstream from Phnom Penh and are threatening the one remaining government strong point guarding another narrows 25 miles below the capital. A military convoy ran into fire at the upper narrows on January 5, [REDACTED]

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[REDACTED] This has forced the postponement of the re-supply convoy originally scheduled to make the run upriver from South Vietnam to Phnom Penh on January 5.

The government's prospects for recapturing lost ground along the Mekong are not good. In the

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Outposts north of Neak Luong are already under heavy pressure. Army units in the Phnom Penh area are fully occupied, and the high command will probably not be able to reinforce the Mekong front for several weeks at best. On January 5, in fact, at least four 105-mm. howitzers were withdrawn from Neak Luong for use around Phnom Penh.

A temporary closure of the Mekong will work no immediate hardship either on the armed forces or on

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Phnom Penh's civilian population. Rice and most fuel stocks in the capital are sufficient to meet all needs for over a month, and enough ammunition has been stockpiled to sustain even a heavy level of fighting for almost six weeks. Past experience has shown, however, that civilian and military morale is affected if stocks sink too low, and this will probably lead the government to order a convoy north within the next week.



Shield Barges on the Mekong
The wire mesh detonates low trajectory rounds

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[REDACTED]

The air force and navy will apparently have to bear sole responsibility for convoy security until ground units are able to retake some of the lost riverside positions. Thanks to new defensive techniques--such as the use of shield barges to absorb Communist shore fire--and improved coordination between navy and air escort units, shipping losses on the lower Mekong during the past two years have been minimal. At the same time, however, the current Communist interdiction effort is the first major push against the Mekong since the spring of 1973 when the US air force was heavily involved in the war. [REDACTED]

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Agricultural Purge in Progress?

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[redacted]
the North Vietnamese government is carrying out a purge of lower and middle-level agricultural cooperative cadre. Those individuals being replaced are accused of misappropriating state property and diverting government funds for their own use. The purge is reported to be widespread and may even extend to higher level cadre in some of the larger cooperatives. These officials are accused of having fixed prices at high levels and pocketed the resulting profits.

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[redacted] recent articles in Hanoi's press indicate that the party has been unhappy with the performance of a large number of its lower level administrative cadre. These expressions of displeasure have included attacks on cadre for illegal activities as well as for poor planning and management practices. For example, at a recent conference on state farms Premier Pham Van Dong criticized the "illegal occupation and utilization of state land" by administrative cadre. In a review of agricultural production, Radio Hanoi on December 21 went on at length about "poor guidance and advanced planning in some localities."

The frequency of these attacks, as well as their appearance in the authoritative party journal *Hoc Tap*, lends support [redacted] that a purge of cooperative cadre is now taking place. An infusion of new blood and expertise at this time would be in line with Hanoi's current emphasis on strengthening the economy and achieving the goal of consolidating the "socialist relations of production" that evidently was allowed to slip somewhat during the war years. On the other hand, no formal reference

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[redacted]

to any administrative shake-up has been seen in Hanoi's public pronouncements. In the past, the party has always publicized such a campaign in order to get the message to the people.

The lack of such publicity, however, does not rule out some measure of shake-up in North Vietnam's low-level agricultural administration. In fact, the violent attacks in both the September and November issues of *Hoc Tap* against cadre who oppose "socialist reform and the masses' right to collective ownership" indicate that at least some of the party's leadership clearly sees the need for an administrative house cleaning.

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[redacted]

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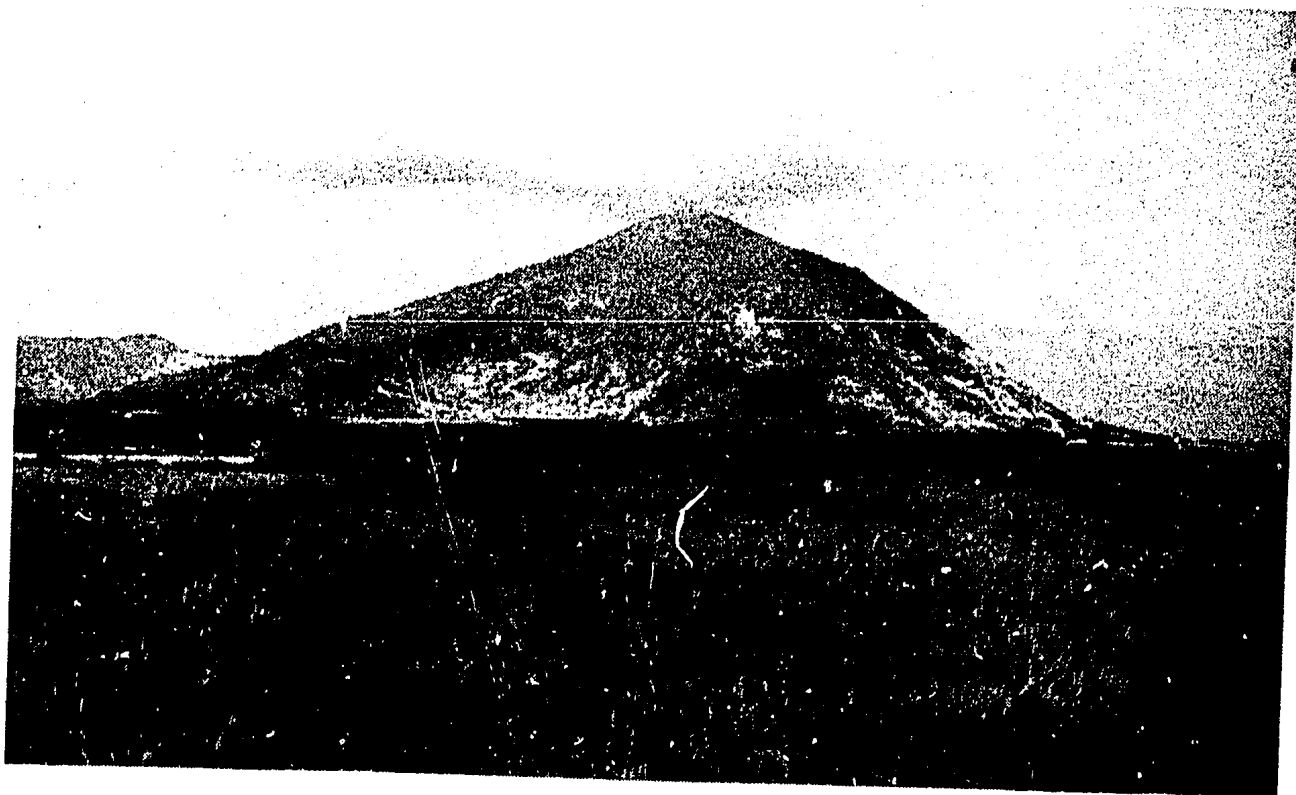
SOUTH VIETNAM

The Fall of Nui Ba Den

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The South Vietnamese were forced from their position atop Nui Ba Den--Black Virgin Mountain--just outside Tay Ninh City on January 7, following several weeks of determined Communist attacks. The major factor behind its loss was the government's inability to resupply the beleaguered outpost because of intense Communist antiaircraft fire.

Nui Ba Den is a geographical oddity rising abruptly to over 3,000 feet from the flat surrounding countryside. Enveloped in religious legend, the



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[REDACTED]

mountain is also identified with the turbulent military history of Vietnam, having served variously as a stronghold for the Japanese, the Cao Dai army, the Viet Minh, and the Viet Cong. The summit was captured by American forces and has been used by the South Vietnamese as an observation post and communications site since then. The mountain's slopes have many caves and tunnels which have served as a Communist redoubt for many years.

Following hard on the loss of an isolated provincial capital, the fall of Nui Ba Den may have a negative effect on defenders of other remote positions who may now question the government's ability and intention to come to their rescue if necessary. [REDACTED]

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ANNEX

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Hanoi Debates Southern Policy

During most of the war years, a striking characteristic of the North Vietnamese was their single-minded dedication when it came to the war effort in South Vietnam. This characteristic was perhaps fundamental to the successes they did achieve.

Were they to go to a full war footing again, they would need equal if not better performance from both the leaders and the led for equal or greater successes. Yet, the dedication, the willingness to sacrifice is in doubt now, two years downstream from the cease-fire:

- The motivation of the people and probably of some in the military and party to support a full-scale, open-ended renewal of the war in the South has probably fallen markedly since the cease-fire.
- There has been a sharpening of a long-existing, but previously well-muted, dispute over the proper allocation of effort between the military and the economy.
- Also sharpened have been old debates within the Politburo over the proper way to achieve total victory in South Vietnam.

The North Vietnamese regime did a remarkable job in keeping its people behind the war effort year after year, but by 1972 the cumulative effect of years of allied firepower, especially air power,

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[REDACTED]

had taken a fearsome physical and psychological toll. Part of Hanoi's motivation for agreeing to the cease-fire was to take time out to rebuild the morale of its populace.

Rebuilding the North

The regime devoted much of 1973 to reassuring its people that a victory had been won in the South with the withdrawal of American arms and men. The regime played down the need for further major, direct support by its people for the "revolution" in the South and called on them to direct their main efforts at rebuilding the North.

The morale of the North Vietnamese appears to have recovered by late 1974, but it did not come entirely as a result of the calls to patriotism that previously had evoked a solid response. In part, it stemmed from the willingness of the regime to continue to tolerate many old wartime sins against socialist morality--ranging from extensive free enterprise, private agriculture, and a large-scale black market, to the embrace by some urban youth of Western dress, music, and cultural ideas.

By early 1974, the regime appears to have recognized the danger of this trend and began devoting a good part of its organizational resources to combat such evils and restore the sense of mission that would be necessary for an all-out effort again in South Vietnam.

Hanoi's chief officer in charge of corruption-busting set the tone of the effort in March 1974 with a sharp article in the party journal calling for action against capitalist practices, corruption, and other offenses. The regime has lashed out far more than usual this year at lazy peasants who fail to work hard at their collective agricultural duties. The military recruitment efforts by Hanoi since the cease-fire seem to be meeting resistance from a

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populace no longer quite as eager to volunteer to defend the fatherland.

The regime does not really have much going for it in its efforts to spur the spirit of sacrifice in the average North Vietnamese. The basic physical scars of the war have been largely healed in the North, but the industrial and agricultural recovery planned for the two years following the cease-fire has fallen far short of hopes.

Agricultural production in 1973 was well below the best of the wartime years and it probably remained low in 1974. At the same time, the population, which grew by 30 percent during the war years, remains overly concentrated in the relatively overworked lowland areas.

Under this kind of pressure and with a respite from war privations, it seems natural that the North Vietnamese would tend to become more concerned with their individual livelihoods and more resistant to government admonishment about the national interest.

All of this, of course, does not mean that Hanoi has lost control of its people or that it could not muster them to its bidding, should push come to shove. Still, the loss of motivation may act to reinforce the hand of those Hanoi leaders who are inclined to a gradualistic strategy in the South.

A Gradualist Approach for the South

There has never been much question that the North Vietnamese Politburo saw the cease-fire as only a temporary breather or truce. For a variety of reasons, including their own losses, the "detente" posture of their allies, and an apparent belief that US support for South Vietnam would inevitably weaken and die, Hanoi's Politburo agreed to an

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interim settlement. These factors also shaped their strategy after the cease-fire.

They sought first of all to rebuild their military position in the South and, keeping just a step away from destroying the protective umbrella of the cease-fire accords, to apply measured military and subversive pressure on the Thieu government designed to expedite the hoped-for withdrawal of US support.

This measured application of force did not cut heavily into their allies' own detente diplomacy and served to assure at least a tolerable level of Soviet and Chinese military support.

The Politburo almost certainly was unanimously behind this strategy. As the hard liners--primarily in the military--saw it, a respite was needed to develop the force of arms necessary to strike a decisive blow against the Thieu government. Clearly of this persuasion was the ailing, but still important defense minister, Vo Nguyen Giap.

Most of the other military leaders, to one degree or another, probably agreed with Giap, if only because of the institutional importance to them of a continued, larger military establishment. The emphasis in North Vietnamese military training since the cease-fire has been almost entirely on modernizing and training the army for a decisive, big blow campaign in the South. There has been no significant indication in the military training journals of opposition to this strategy.

On the civilian side, the cease-fire strategy for the South was supported on other grounds. The top civilian leaders, Le Duan and Truong Chinh, are as committed as the military leaders to a final victory in the South, but the two civilians probably differ at this point with at least some of the military on the timing of a decisive strike.

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Le Duan's speeches indicate that he takes seriously the objective of building a large-scale socialist economy in the North. His support of the cease-fire was probably based in part on a belief that it would allow Hanoi a much-needed opportunity to put additional resources behind this task.

He alone of the top leaders seems from his speeches to have a fairly broad view of world economic trends and of North Vietnam's need to try to catch up and find a self-sustaining niche in this economy.

Truong Chinh is the ideologue of the party, the exponent of the Chinese style. As he sees it, proper revolutionary spirit and Marxist outlook are as important in reaching the regime's objectives as big armies and lots of tractors. He has always opposed the big military offensive and favored a gradualist approach both to the war and the economy.

The other top civilian, Premier Pham Van Dong, appears to be chiefly the one who implements already established party policy. He does not appear to have great influence in its development.

Although there is little to go on in assessing the views of the second- and third-rank figures in the Hanoi leadership, there is no reason to believe that their set of mind is not influenced by the same factors that have molded the outlook of similar groups in other Communist countries. The key figures could not have achieved their status without deep commitment to the general party line, but many have reached the second rank not so much because of their politics, as because of their technical expertise.

Most of the comers in the North fall into the technical class: Hoang Anh, the agricultural specialist; Nguyen Con, the administrative expert who

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[REDACTED]

works closely with Pham Van Dong; Tran Huu Duc, an economic specialist; and Tran Quyuh, who apparently bosses science and technology and is close to Le Duan.

The commitment of these men to completing the revolution in the South can scarcely be doubted, but it should be kept in mind that their personal careers would probably best be served by a policy that devoted a reasonable amount of resources to continued economic development in the North and carefully limited the resources devoted to victory in the South. As a group, they probably have an institutional bias in favor of the balanced strategy adopted by Hanoi after the cease-fire.

Stirrings Among the Military Hawks

Whatever the names and numbers of those in Hanoi most strongly committed to a gradualist policy toward the South, they could see little evidence until recently of the success of the policy.

Through mid-1974 at least, the Thieu government more than held its own, pushing back the Communists in some areas and strengthening its control and vitality in most areas under its dominance. US support remained substantial, and no one in Hanoi could confidently predict a point at which US backing would be withdrawn.

Propaganda from the North reflected the dawning of this perception. After mid-1973, Hanoi's denunciations of the continued US "involvement" and support of Thieu grew more bitter. So did its invective about the Thieu government's "nibbling" operations against Communist-held territory. The harshest things were usually said in the North's military newspaper, with the party daily taking a somewhat less-inflamed line.

By mid-year 1974, the speeches of some military leaders and the propaganda in the military newspaper

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led us to believe the hawks in Hanoi were urging a greater application of military pressure on the South Vietnamese up to and perhaps including another 1972-style offensive.

Statements on the military situation in the South dropped their previous caution and began to tout the Communist position in South Vietnam as stronger than ever before. The North also began again to denigrate the capabilities of the South Vietnamese armed forces.

In mid-August, the army newspaper was criticizing the "detente" policies in Moscow and Peking and calling as openly as the North Vietnamese ever have for a shift to major military pressure in the South. This opinion was advanced in such a manner as to suggest that it represented the thinking of one element of the Politburo.

It seemed reasonable to conclude that the debate over strategy toward the South had intensified and that hawks--primarily military--were pushing hard for a change to a more militant line. Pressure was thus put on those who sought to hold to the agreed policy.

Their counterargument appeared in August, primarily in the party journal, *Hoc Tap*. This journal, which is probably controlled by Le Duan, carried an editorial claiming that only when North Vietnam's economic strength was developed would the North have the military potential to assure a decisive victory in the South.

The article pointed indirectly to the danger of adopting a policy that could again engage American air power and bring great "losses in human lives and wealth." It called for a further diversion of military resources to economic development. At

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this time, neither point of view had achieved primacy, and when the agreement came, it was a compromise.

A Time of Testing

The step-up in Communist military action in early fall in the South may have been authorized in Hanoi primarily as a test of Communist and South Vietnamese strengths on which a later decision on basic strategy could be made. The emergence at about this time of a public protest movement against Thieu may have strengthened the hand of those who opposed a major shift in policy. It probably facilitated Politburo agreement on a short-range course of action.

The protests seem to have been regarded by leaders in the North as the first sign of the "inevitable" collapse of the Thieu government they had been anticipating. Hanoi's propaganda quickly began to speak optimistically about the chances for Thieu's overthrow and to call for an acceptable successor who would negotiate a political compromise.

From the tone of the propaganda, it appeared that Hanoi was once again overrating the significance of popular dissent in the South, as it had done repeatedly in the past--most notably in its decision to launch the Tet offensive in 1968.

Still, those in favor of continuing the patient strategy of measured military pressure could now cite some evidence that this strategy was beginning to pay off. At the same time, they could endorse a further, but still measured, increase in military action for the 1974-75 dry season as a way to fan political unrest in the South.

In late September or October, the Politburo appears to have reached a consensus on this step and to have issued orders for the campaign. The order seems to have necessitated some quick shifts in earlier plans, although no major alterations.

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--After a long emphasis on political action, Communists in the South were told in early November to shift to an emphasis on armed force.

--Steps were taken to increase the flow of manpower to the South somewhat above the level planned earlier.

--The orders called for military action to be speedily organized and launched, hopefully by early January.

It does not appear at this point that a basic shift back to a full-scale, open-ended military strategy has been authorized by the Politburo. The leaders who favor continued support to the South balanced against other priorities can feel reasonably satisfied. Those who favor stronger action got a substantial increase in armed action.

If Thieu were to prove really vulnerable to such military pressure, the hawks would have a strong claim on bigger military measures to exploit his weakness.

On the assumption that the planned dry season campaign will not seriously upset the balance against Thieu, where does Hanoi go next?

What Next?

If this season's campaign yields the Communists little more than a few isolated district capitals and some disruption of government pacification in contested areas, pressures from the hawks in Hanoi would likely mount for an end to the half measures and for a more or less all-out effort. They would, however, run hard into other difficult problems and calculations with which Hanoi must deal before it makes any decision to renew full-scale, open-ended warfare in the South.

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--The North's economic difficulties may well increase rather than decrease over the short-term, thus continuing and perhaps intensifying the debate over the diversion of resources to the battle for the South.

--There is little reason to expect that the disinclination of the populace to make the sacrifices needed for a large-scale renewal of the war in the South will diminish soon.

--Hanoi's confidence in its ability to count on its allies for the level of military aid needed for an all-out drive to victory in the South will continue to be less than complete.

It is often said, of course, that the North Vietnamese already have on hand in Vietnam the weapons necessary to mount an offensive at the 1972 level and to sustain it for a considerable period of time. If they were to do so, however, and the effort proved inconclusive in defeating the South Vietnamese, Hanoi would have effectively destroyed the cease-fire accords and created a situation that would dictate the absolute need for a substantial increase and a steady, assured supply of war material of all types from its allies.

It is these kinds of assurances that the North Vietnamese almost certainly do not have at present and would need before making a decision to go all-out militarily in the South.

There must also be some doubt in Hanoi as to the nature of the US response should Hanoi opt for a major renewal of the war. North Vietnamese propaganda concerning the US appears to reflect

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agreement in Hanoi that Washington will not intervene with ground troops but that the chances for renewed use of US air power both in North and South Vietnam cannot be easily dismissed.

Currently, North Vietnamese propaganda is enthusiastically charting the growing difficulties Washington is facing with the oil-producing countries, with recession and inflation, and with the volatile Middle East. These factors are depicted as having weakened the US and undercut its dominant world position. Usually, however, such propaganda is accompanied by warnings that US military strength must still be respected and that the US is capable of new "schemes" abroad.

If the latter theme ever disappears from such commentaries, it may provide one good warning indicator that the North Vietnamese have decided they can move full force in the South without risk of serious interference from the US.

Until this happens, however, the net effect of the US threat and the other constraints described above will probably be to keep the North Vietnamese temporizing.

--They will not elect to go all out in the South pending some resolution of their domestic difficulties or some severe deterioration of the South Vietnamese government. Those favoring continued patience will be able to cite some limited gains from this year's dry season campaign and would argue that next year Thieu will be more vulnerable as the impact of declines in US military and economic aid takes full effect.

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--In the North, the leaders will be unable to decide to devote the kind of domestic resources that would give them any real hope of solving their economic problems if for no other reason than their ideological commitment to a victory in the South.

This ambivalence will be reinforced by the likely continuation of a collective leadership in Hanoi. From the standpoint of age, the top leadership should be fairly stable for some years, and we do not expect Le Duan or some other leader to become so dominant that he can singlehandedly dictate a course of policy.

The North Vietnamese are accustomed to developing decisions by consensus, often by compromise, and this is not likely to change. The institutional strongholds in the army and the bureaucracy which today tend to reinforce the necessity of consensus are deeply imbedded in North Vietnam.

In this situation, a continuation of present South Vietnamese strength, which rests fundamentally on adequate US aid, will be critical, for there may be a point, even if some years in the future, when the North Vietnamese determination to "liberate" South Vietnam will become something like Peking's determination to "liberate" Taiwan--still an important ideological goal, but one which can be repeatedly deferred in accomplishment, because of the complexity of the physical task and because other foreign and domestic policy considerations stand in the way.

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